

Todd Kremin

From: Robert Trumpy
Sent: Thursday, June 15, 2006 11:26 AM
To: 'mcs@barronpartners.com'
Cc: Henry Warner
Subject: Biosafe conference call
Attachments: Retail proforma 06-14-06.xls

Matt, here are the revised projections with our best assumptions/data. Since several of your people are on vacation next week could we have a status conf call on Friday AM?

Rob Trumpy, CPA
SVP and CFO
BioSafe Medical Technologies, Inc.
100 Field Drive, Suite 240
Lake Forest, IL 60045
Work:847-234-8111
Fax:847-234-8222
rtrumpy@ebiosafe.com

4/28/2008

Exhibit 19

Retail Newco
Projected Income Statement
 INTERNAL USE ONLY - Confidential

	2005 (as if)	2006	2007	2008	2009
Product Revenue:					
Cholesterol Panel	\$ 277,200	\$ 450,450	\$ 1,145,375	\$ 1,617,000	\$ 1,886,500
TSH	\$ 255,906	\$ 471,192	\$ 1,218,600	\$ 1,706,040	\$ 1,827,900
PSA	\$ 357,000	\$ 541,875	\$ 1,083,750	\$ 1,785,000	\$ 1,912,500
Hemoglobin A1c	\$ 10,360	\$ 77,700	\$ 691,530	\$ 699,300	\$ 932,400
Disease Management-Pharmacy	\$ 552,300	\$ 437,238	\$ 1,288,700	\$ 1,656,900	\$ 2,761,500
Anemia Meter	\$ 4,185	\$ 209,250	\$ 781,200	\$ 837,000	\$ 627,750
Rapid Allergy	-	-	\$ 1,276,800	\$ 2,394,000	\$ 2,992,500
New Development	-	-	-	\$ 1,871,250	\$ 3,742,500
Internet	125,887	455,289	865,123	1,038,148	1,245,777
Revenue via Acquisition					
Total Revenue	1,582,838	2,642,994	8,351,078	13,604,638	17,929,327
COGS-Biosafe Products					
COGS via Acquisition	\$ 674,552	\$ 957,206	\$ 3,123,325	\$ 4,825,089	\$ 6,386,897
Royalty to Biosafe	\$ 126,627	\$ 211,439	\$ 668,086	\$ 1,088,371	\$ 1,434,346
Total Gross Margin	781,659	1,474,348	4,559,667	7,691,178	10,108,084
% of Net Revenue	49%	56%	55%	57%	56%

Selling, General and Administrative (non-public assumptions)

Sales and Commissions	2%	31,657	52,860	167,022	272,093	358,587
Other Salaries		-	90,000	570,000	650,000	730,000
Rent/Utilities		-	25,000	120,000	120,000	180,000
Payroll Tax & Benefits		5,540	25,000	128,979	161,366	190,503
Professional		-	5,500	75,000	81,000	87,480
General Insurance		-	10,000	30,000	40,000	45,000
Bad Debt @	1%	15,828	26,430	83,511	136,046	179,293
Other Expenses		-	11,965	78,083	120,627	159,672
Advertising/Marketing	4%	-	26,430	334,043	544,186	717,173
Travel & Entertainment		-	5,000	45,000	60,000	75,000
Total S,G & A		53,025	278,185	1,631,637	2,185,318	2,722,708
% of Revenue	46%	45%	35%	40%	41%	41%

Depreciation and Amortization		-	220,000	265,000	315,000	370,000
EBIT		728,634	976,163	2,663,030	5,190,860	7,015,376
% of Revenue	46%	37%	32%	38%	39%	39%

Interest Income		12,000	-	59,730	12,358	29,885
Interest		-	-	-	-	-
Pre Tax Profit (Loss)		740,634	976,163	2,722,760	5,203,218	7,045,261

Income Taxes		277,738	366,061	1,021,035	1,951,207	2,641,973
Net Income		462,896	610,102	1,701,725	3,252,011	4,403,288
% of Revenue	29%	23%	20%	24%	25%	25%

INTERNAL USE ONLY

Confidential

4/28/2008 11:04 AM

Newco Retail
Projected Balance SheetConfidential
INTERNAL USE ONLY

Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
----------------	----------------	----------------	----------------	----------------

Assets

Cash	2,986,492	617,895	1,494,230	3,823,336
Accounts Receivable (net of allowance)	377,571	1,193,011	1,943,520	2,561,332
Inventories	100,000	200,000	250,000	2,400,000
Prepaid Expenses	10,000	10,000	10,000	10,000
Refundable Deposits				
Total Current Assets	0	3,474,063	2,020,907	3,697,750
				8,794,668

Property, Equip & Cap Devl Costs, net
Goodwill
Product Licenses
Total Assets

0	80,000	80,000	95,000	120,000
0	4,000,000	4,000,000	4,000,000	4,000,000
0	4,800,000	5,560,000	6,280,000	6,960,000
0	12,354,063	11,660,907	14,072,750	19,874,668

Liabilities

A/P Trade	113,961	349,080	518,912	677,543
Payroll and Payroll Taxes	100,000	140,000	150,000	160,000
Compliance Accrual	30,000	60,000	90,000	120,000
Notes Payable - Current				
Total Current Liabilities	0	243,961	549,080	758,912
				957,543

Other Long Term Liabilities
Notes Payable - Long Term
Total Liabilities

0	0	(2,700,000)	(3,750,000)	(2,550,000)
0	243,961	(2,150,920)	(2,991,068)	(1,592,457)

Shareholders Equity

Common Stock	0	11,500,000	11,500,000	11,500,000
Beg Retained Earnings	0	0	610,102	2,311,826
Current Period Income(Loss)	0	610,102	1,701,725	3,252,011
Ending Retained Earnings	0	610,102	2,311,826	5,563,838
				9,967,125

Total Stockholders Equity

0	12,110,102	13,811,826	17,063,838	21,467,125
---	------------	------------	------------	------------

Total Liabilities and Stockholders Equity

0	12,354,063	11,660,907	14,072,750	19,874,668
---	------------	------------	------------	------------

Confidential

INTERNAL USE ONLY

4/28/2008 11:04 AM

Newco Retail Confidential
Projected Statement of Cash Flow INTERNAL USE ONLY

Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
----------------	----------------	----------------	----------------	----------------

Beg. Cash and Reserve for Future Development

Net income (loss)

Change in working capital (less cash):

Current assets

Current liabilities

Depreciation/Amortization

Net PPE decrease (Increase) including capitalized R & D

Goodwill purchase

Issue of Note Payable for License

Repayment of Note Payable

Increase other long term liability

Issuance of common stock, net of fees

Ending Cash and Reserve for Future Development

0	11,500,000	0	0	0
-	2,986,492	617,895	1,494,230	3,823,336
0	0	0	0	0

Projected Long Term Asset/Liability Work Schedule

INTERNAL USE ONLY Confidential

Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
----------------	----------------	----------------	----------------	----------------

Fixed Assets

Beginning Balance
Depreciation/Amort.
Purchases/Cap R&D
Ending Balance

0	0	80,000	80,000	95,000
	(20,000)	(25,000)	(35,000)	(50,000)
	100,000	25,000	50,000	75,000
0	80,000	80,000	95,000	120,000

License
Amort years 25

Beg. Balance
Amortization
New licenses
Ending Balance

0	0	4,800,000	5,560,000	6,280,000
0	(200,000)	(240,000)	(280,000)	(320,000)
	5,000,000	1,000,000	1,000,000	1,000,000
0	4,800,000	5,560,000	6,280,000	6,960,000

Projected Capitalization Table

INTERNAL USE ONLY
Confidential

Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
----------------	----------------	----------------	----------------	----------------

Beginning Shares Issued/Outstanding

Shares Issued During Period - #

Ending Share Count

0	0	12,166,666	12,166,666	12,166,666
0	12,166,666	12,166,666	12,166,666	12,166,666
	0	12,000,000	12,000,000	12,000,000

Beginning \$ Value at Issued Price
Shares Issued During Period - \$

2,500,000 @ \$ 1.00
5,000,000 @ \$ 1.00
1,500,000 @ \$ -

2,500,000
5,000,000
-

500,000 @ \$ 1.00
2,666,666 \$ 1.50

500,000
4,000,000

Ending \$ Value at Issued Price

0

12,000,000

12,000,000

12,000,000

12,000,000

4/28/2008 11:04 AM

Newco Retail

Volume, Pricing and COGS

		Send-In						Rapid tests		New Development		Total
		Cholesterol Panel	TSH	PSA	Hemoglobin A1c	Disease Mgmt Kits	Anemia Meter	Rapid Allergy				
Year												
2005	Stores	2,400	4,200	4,200	200	750	100					
	Kits per Store/year	6	3	4	4	80	3					
		14,400	12,600	16,800	800	60,000	300					
	Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95					
Revenue	\$ 277,200	\$ 255,906	\$ 357,000	\$ 10,360	\$ 552,300	\$ 4,185	\$ -	\$ -	\$ -	\$ 1,456,951		
COGS	\$ 90,525	\$ 101,836	\$ 126,865	\$ 4,523	\$ 316,800	\$ 825	\$ -	\$ -	\$ -	\$ 649,375		
2006	Stores	3,900	5,800	5,100	1,200	1,900	2,500					
	Kits per Store/year	6	4	5	5	25	6					
		23,400	23,200	25,500	6,000	47,500	15,000					
	Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95					
Revenue	\$ 450,450	\$ 471,192	\$ 541,875	\$ 77,700	\$ 437,238	\$ 209,250	\$ -	\$ -	\$ -	\$ 2,187,705		
COGS	\$ 160,103	\$ 187,508	\$ 192,563	\$ 33,924	\$ 250,800	\$ 41,250	\$ -	\$ -	\$ -	\$ 866,148		
2007	Stores	8,500	10,000	8,500	8,900	3,500	14,000	8,000				
	Kits per Store/year	7	6	6	6	40	4	8				
		59,500	60,000	51,000	53,400	140,000	56,000	64,000				
	Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95			
Revenue	\$ 1,145,375	\$ 1,218,600	\$ 1,083,750	\$ 691,530	\$ 1,288,700	\$ 781,200	\$ 1,276,800	\$ -	\$ -	\$ 7,486,955		
COGS	\$ 407,099	\$ 484,935	\$ 385,127	\$ 301,924	\$ 739,200	\$ 154,000	\$ 478,016	\$ -	\$ -	\$ 2,950,300		
2008	Stores	12,000	14,000	14,000	9,000	4,500	15,000	15,000				
	Kits per Store/year	7	6	6	6	40	4	8				
		84,000	84,000	84,000	54,000	180,000	60,000	120,000				
	Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95			
Revenue	\$ 1,617,000	\$ 1,706,040	\$ 1,785,000	\$ 699,300	\$ 1,656,900	\$ 837,000	\$ 2,394,000	\$ 1,871,250	\$ 12,566,490			
COGS	\$ 574,728	\$ 678,909	\$ 634,326	\$ 305,316	\$ 950,400	\$ 165,000	\$ 896,280	\$ 412,500	\$ 4,617,459			
2009	Stores	14,000	15,000	15,000	12,000	10,000	15,000	15,000				
	Kits per Store/year	7	6	6	6	30	3	10				
		98,000	90,000	90,000	72,000	300,000	45,000	150,000				
	Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95			
Revenue	\$ 1,886,500	\$ 1,827,900	\$ 1,912,500	\$ 932,400	\$ 2,761,500	\$ 627,750	\$ 2,992,500	\$ 3,742,500	\$ 16,683,550			
COGS	\$ 670,516	\$ 727,403	\$ 679,635	\$ 407,088	\$ 1,584,000	\$ 123,750	\$ 1,120,350	\$ 825,000	\$ 6,137,742			

Cost of Goods Sold:

Unit COGS:
 Kits (& outboard shipping)
 Lab Processing (if any & net of non-compliance)
 Outsource Vendor Markup
 Total Unit Cost

Cholesterol Panel TSH PSA Hemoglobin A1c Disease Management Anemia Rapid Allergy New Development

2.00 3.95 1.20 1.49 1.95 2.50 6.79 5.00
 4.22 3.40 5.87 3.65 2.85 0.25 0.88 0.50
 0.62 0.73 0.69 0.51 0.48 2.75 7.47 5.50
 6.84 8.08 7.55 5.65 5.28 2.75 7.47 5.50

Wholesale price \$ 19.25 \$ 20.31 \$ 21.25 \$ 12.95 \$ 9.21 \$ 13.95 \$ 19.95 \$ 16.85
 Gross Margin % 64% 60% 64% 56% 43% 80% 63% 67%

**Newco Retail
Employee Listing**

Position	2005	2006	2007	2008
President		200,000	200,000	200,000
Chief Accountant		75,000	75,000	75,000
VP Sales		135,000	135,000	135,000
Brand Manager(s)		80,000	80,000	160,000
Sales Assistant		45,000	45,000	45,000
Admin		35,000	35,000	35,000
Total	-	570,000	570,000	650,000

<u>2009</u>
200,000
75,000
135,000
240,000
45,000
<u>35,000</u>
730,000